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TO RUEHC/SECSTATE WASHDC IMMEDIATE 0615
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHGB/AMEMBASSY BAGHDAD PRIORITY 0151
RHEHNSC/NSC WASHDC PRIORITY
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UNCLAS SECTION 01 OF 02 DAMASCUS 003700

SIPDIS

SENSITIVE
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PARIS FOR WALLER, LONDON FOR TSOU, AMMAN FOR KANNESHIRO,
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TAGS: PREL PGOV PHUM LE SY

SUBJECT: TFLE01: SYRIA DAILY SITREP 11 THURSDAY JULY 27,
2006

11. (U) Summary: The head of Iran's Supreme National Security Council, Ali Larijani, arrived in Damascus July 26 for talks with SARG officials on the crisis in Lebanon and the Rome Conference, according to Arab regional media. DAO reports increasing displays of pro-Hizballah Arabic-language banners and paraphernalia and anti-American graffiti in downtown Damascus. The American Citizen Services unit received 145 walk-in AmCits on July 26, down from 168 the previous day. The Syrian Pound continues its slide on the black market, reaching 52.5 Syrian pounds to the U.S. dollar, its weakest point this summer. The Syrian Arab Red Crescent was scheduled to send a convoy of humanitarian assistance to Lebanon on July 27. End Summary.

Political/Security

12. (SBU) The following are political updates:

-- Secretary of Iran's Supreme National Security Council, Ali Larijani arrived July 26 in Damascus to meet with SARG officials on the Israel-Hizballah conflict and the Rome Conference, according to Arab regional media. Unconfirmed reports by one of the less credible Arab media outlets indicated that Larijani would meet with Syria's President Bashar al-Asad and Hizballah's Sheikh Nasrallah in Damascus, and stretching rumor even to the breaking point, that Nasrallah had fled Lebanon and now lives incognito in Syria.

-- Syrian media is increasingly attributing the responsibility for and origination of Israeli operations in Lebanon to the U.S. In two different editorials, SARG-owned newspaper, Tishreen, declared: "Israel is waging an American war with clear objectives." and "President Bush opened Pentagon assets wide to the Israeli aggression machine to kill and destroy the Lebanese."

-- Charge met July 26 with Andrew Goledzinowski, an Australian assistant secretary for counter-terrorism and the head of a small team of Australian officials from the Dept. of Foreign Affairs and Trade who are standing up an operation in Damascus for the duration of the conflict in Israel and Lebanon. Goledzinowski said he has five colleagues with him, most of them consular or immigration officials. They are working temporarily out of the Canadian Embassy but will likely have to find office space of their own. Australia closed its Embassy in Damascus in 2000 and have been covering Syria from Cairo ever since.

-- A Norwegian envoy was expected to arrive July 26 in Syria, according to a Reuters report. The envoy, Sven Sevje, was formerly Norwegian ambassador to Damascus and is now an Oslo-based regional emissary.

13. (SBU) DAO reports increasing amounts of pro-Hizballah banners and paraphernalia (in Arabic) and anti-American graffiti (in English) in downtown Damascus. FSNS report growing anti-American sentiment in Damascus and sharpened criticism of them as American "agents" in the past week.

Consular

14. (U) The following are consular updates:

-- ACS received 145 walk-in American citizens requesting assistance on July 26, down from 168 inquiries on July 25

-- The Consular Section will begin processing new, immediate IV petitions from "clearly approvable" Lebanese who have not previously filed an application in Beirut. Most applications so far have come from Lebanese spouses of American citizens.

Economic

15. (U) The following are economic updates:

-- UNHCR staff monitoring four major crossing points from Lebanon to Syria reported fewer arrivals yesterday (8000-9000 total), compared to 12,000 the previous day and around 20,000 earlier. It remains unclear how many displaced persons have arrived in Syria since the start of the conflict, but the UN estimates that figure at between 150,000-200,000. An estimated 50 shelters for those displaced from Lebanon exist

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in temporary locations in and around Damascus and Syrian Arab Red Crescent has established two camps, each hosting 1,000 people, according to Reuters.

-- UNHRC has supplies in Syria for more than 20,000 people, which have yet to be delivered, including: 20,000 mattresses; 20,000 blankets; 5,000 family tents; 5,000 bales of plastic sheeting; 10,000 jerry cans; 5,000 stoves and 5,000 cooking sets, according to Reuters. UNHCR has additional supplies available from regional stockpiles in Jordan, Kuwait and Iraq.

-- The SARG General Directorate of Customs has donated goods previously confiscated along the Syrian-Lebanese border to the Syrian Arab Red Crescent to deliver in a July 27 humanitarian convoy to Lebanon, according media accounts. The Syrian Arab Red Crescent, in association with the Lebanese Red Crescent, has coordinated the arrival of the convoy with the belligerent parties in Lebanon.

-- The Syrian Pound continues its devaluation on the black market, reaching 52.5 Syrian pounds to the U.S. dollar, its weakest point this summer. The decline of the Syrian currency, which initially held steady after the Israel-Hizballah crisis erupted, may reflect a decision by Lebanese refugees to refrain from spending their hard currency in anticipation of longer-than-expected stays in Syria.

-- Syrian media reports long lines at blood centers after the SARG publicly called for Syrians to donate blood. (Comment: The long lines, however, may be more a function of a limited capability to process blood donations than an overwhelming desire by Syrians to give blood.)

-- Anecdotal reports from Embassy FSNS suggest that Lebanon-sourced goods are no longer reaching Syrian markets as the violence and destruction of transportation infrastructure in Lebanon severely inhibits trade between the countries.

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